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Eastern District of California

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SACRAMENTO GANG MEMBER PLEADS GUILTY IN NATIONWIDE, MILLION-DOLLAR BANK FRAUD SCHEME

SACRAMENTO, Calif.—Acting United States Attorney Lawrence G. Brown announced today that CHARLES BARKSDALE, aka Sho, 28, of Sacramento, pleaded guilty today to bank fraud before United States District Judge Frank C. Damrell Jr.

This case is the product of a joint investigation by the U.S. Secret Service and the Federal Bureau of Investigation, carried out with the assistance of local law enforcement agencies around the country.

According to Assistant United States Attorney Matthew D. Segal, who is prosecuting the case, the scheme netted one to two million dollars in losses to financial institutions in late 2007 and early 2008. The schemers, operating from California, sent runners to places like Alabama, Arizona, California, Illinois, Indiana, Montana, New Mexico, Ohio, Oklahoma, and Texas to use so-called “pre-paid” credit cards for cash advances at banks. Although the cards only had small amounts of money available, the runners would convince various bank tellers to call a toll-free number that was controlled by a co-schemer. The co-schemer would pose as a card services representative, state that there were thousands of dollars available on the card, and then instruct the teller on what buttons to press on the card terminal in order to make the transaction go through. The runner would then keep a portion of the funds for his or herself, and would remit a portion of the fraudulently obtained funds, typically half, to BARKSDALE and others in the Sacramento area. Runners sent money by Federal Express, by wire, or by depositing funds into bank accounts controlled by BARKSDALE and others.

On July 7, 2008, Secret Service, FBI, and police investigators executed search warrants at multiple locations in Sacramento. At the time, BARKSDALE was in Sacramento County Jail on unrelated charges. When he learned of the searches, BARKSDALE called a woman he knew. On the recorded line, he used coded language to instruct the woman to destroy a computer, withdraw funds from a bank account, and remove expensive merchandise from a residence.

Papers filed with the court indicate that BARKSDALE is member of the “G-Mob” gang in Sacramento.

The defendant is scheduled to be sentenced by Honorable Frank C. Damrell on April 27, 2009 at 10:00 a.m.. The maximum statutory penalty for a violation of bank fraud is 30 years in prison. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

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